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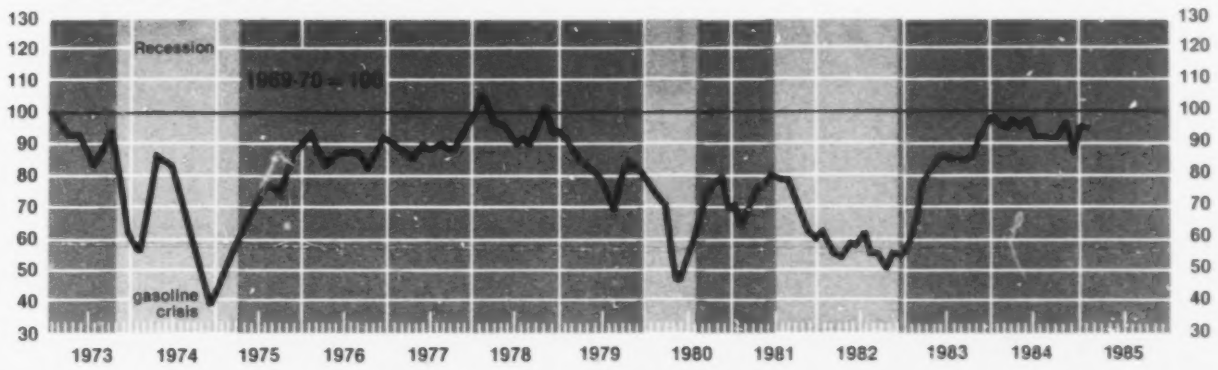
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

March, 1985



CONSUMER CONFIDENCE AND BUYING PLANS CONTINUE STRONG

Consumer confidence, which declined in December and recovered almost fully in January, was steady in February. The Board's Index (1969-70 = 100) now stands at a reassuringly strong 95.2. This is about the same reading as last year at this time. Spending plans on balance are steady, but below year-ago levels.

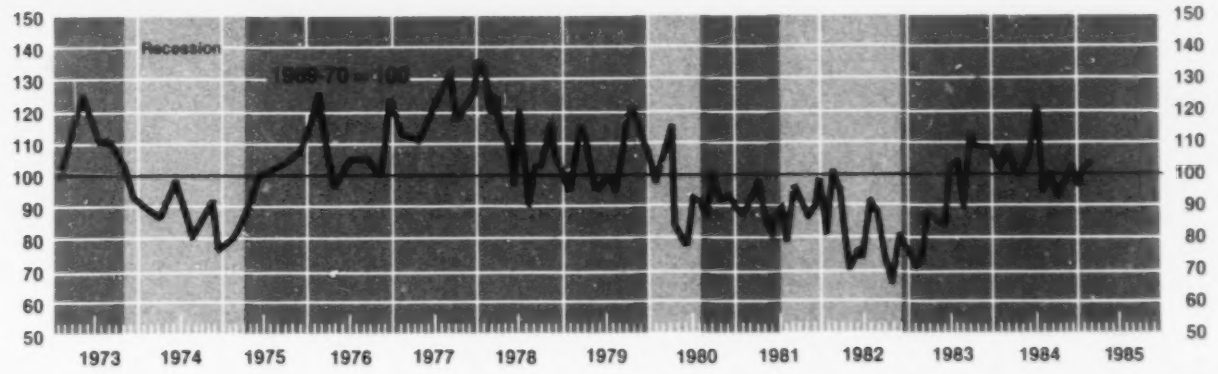
Consumers continue to be quite positive in assessing the current situation. An impressively high 29% of respondents consider business conditions to be good, and a sturdy 20% report that jobs are "plentiful." In looking ahead to the next six months, expectations are not very different than they were a month earlier. A slightly higher proportion of persons than last time expect business conditions to improve in the months ahead. However, fewer respondents now believe that their personal income will increase in the months to come: 25.6%, down from an earlier 29 percent.

Buying plans have not changed very much over the past month. In the latest probe, 8.8% of all those contacted indicated that they would purchase an automobile in the next six months, which is about the same proportion as a month earlier. Intentions to acquire a home edged back to 3.0% of respondents from a prior 3.2 percent. However, there has been a small increase in consumer interest in major appliances.

The considerable improvement in consumer confidence following the decline in December is most reassuring. Still, while consumers are generaly optimistic in assessing the probable trend in business conditions over the next six months, they are somewhat less sanguine about their personal financial circumstances than they were a month ago. But on just about all other issues, the most recent message from the consumer suggests a steady rate of economic growth in the immediate months ahead.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

All series seasonally adjusted	1984 *Feb.*	*Mar.*	*Apr.*	*May*	*Jun.*	*July*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	1985 *Jan.(r)*	*Feb.(p)*
						Composite Series: Index Numbers, 1969-1970 = 100							
Consumer Confidence Index	95.7	94.5	97.9	95.2	97.1	91.0	91.9	91.0	91.5	96.8	85.9	95.4	95.2
Present Situation	67.2	69.0	73.1	75.0	83.0	77.5	78.7	79.8	76.7	81.0	72.1	83.2	83.3
Expectations	114.6	111.5	114.4	108.6	106.5	100.0	100.6	98.4	101.3	107.3	95.0	103.6	103.1
Buying Plans Index	108.0	103.9	99.4	105.1	121.6	94.5	100.6	93.3	98.5	102.7	96.2	102.3	103.9
						Appraisal of Present Situation: Percent							
Business Conditions													
Good	25.5	25.4	26.9	26.6	26.8	27.0	27.6	28.7	26.9	29.6	25.6	29.4	28.8
Bad	23.0	20.4	19.9	19.8	18.2	19.8	19.9	19.0	19.7	20.1	22.0	19.1	19.6
Normal	51.5	54.2	53.2	53.6	55.0	53.2	52.5	52.3	53.4	50.3	52.4	51.5	51.6
Employment													
Jobs plentiful	14.0	13.1	15.3	15.6	19.1	17.3	18.1	17.7	16.9	19.1	16.5	18.8	19.9
Jobs not so plentiful	49.6	51.9	48.9	51.2	50.7	49.9	49.0	49.3	49.9	47.8	48.5	50.9	49.2
Jobs hard to get	35.0	35.8	33.2	30.2	32.8	32.8	32.9	33.0	33.2	33.1	35.3	30.3	30.9
						Expectations for Six Months Hence: Percent							
Business Conditions													
Better	28.7	26.4	27.4	22.3	23.3	22.2	22.8	23.0	24.3	26.1	20.0	22.0	23.8
Worse	5.8	6.1	5.6	6.9	7.6	8.7	9.0	9.5	8.3	8.6	10.2	7.5	7.7
Same	65.5	67.5	66.8	70.8	69.1	69.1	68.2	67.5	67.4	65.3	69.8	70.5	68.5
Employment													
More jobs	21.4	20.6	20.2	17.8	17.1	16.5	16.7	16.2	18.5	19.2	16.4	17.9	17.0
Fewer jobs	11.9	12.1	11.4	12.2	13.3	15.8	15.2	16.0	16.8	13.7	17.2	14.3	13.9
Same	66.7	67.3	68.4	70.0	69.6	67.7	68.1	67.8	64.7	67.1	66.4	67.8	69.1
Income													
Increase	27.3	26.1	30.6	27.6	29.3	29.5	28.2	27.0	29.1	30.9	26.7	28.9	25.6
Decrease	6.3	7.2	6.8	6.2	6.1	7.6	7.5	7.5	8.6	6.8	7.9	8.2	8.0
Same	66.4	66.7	62.6	66.2	64.6	62.9	64.3	65.5	62.3	62.3	65.4	62.9	66.4
						Plans to Buy Within Six Months: Percent							
Automobile													
Yes	8.8	8.8	8.5	8.2	10.0	7.8	8.5	7.0	7.9	8.5	8.1	8.9	8.8
New	4.9	4.7	3.9	4.3	5.1	4.6	4.8	3.6	4.4	4.9	4.6	4.7	4.7
Used	3.4	3.0	3.0	3.2	3.3	2.5	2.8	2.3	2.8	2.7	2.6	2.8	2.9
Uncertain	0.5	1.1	1.6	0.7	1.6	0.7	0.9	1.1	0.7	0.9	0.9	1.4	1.2
Home													
Yes	3.8	3.3	3.1	3.7	3.8	3.0	3.3	3.4	3.3	3.1	2.9	3.2	3.0
New	0.9	0.8	0.9	1.0	1.3	1.0	0.9	1.1	1.1	1.0	1.2	0.8	0.9
Lived in	2.0	1.6	1.4	1.7	1.6	1.3	1.6	1.6	1.4	1.3	1.2	1.5	1.4
Uncertain	0.9	0.9	0.8	1.0	0.9	0.7	0.8	0.7	0.8	0.8	0.5	0.9	0.7
Major appliances													
Total plans	27.3	27.4	26.9	27.1	33.5	25.3	26.5	25.8	27.2	29.5	27.8	27.1	29.3
Refrigerator	3.6	3.6	3.7	3.9	5.0	4.1	4.0	4.1	3.5	4.5	4.2	3.5	3.7
Washing machine	4.0	3.8	3.2	3.6	4.0	2.8	3.4	3.3	3.3	3.9	3.9	3.7	3.5
Black and white TV	0.8	0.9	1.1	0.8	1.3	0.8	0.7	0.7	0.5	1.0	0.7	0.7	0.6
Color TV	7.0	7.5	7.7	7.0	8.4	6.1	7.7	7.0	7.5	7.8	7.0	7.3	8.2
Vacuum Cleaner	4.8	4.1	4.8	4.2	6.0	5.1	4.0	4.1	5.2	4.7	5.0	5.1	5.3
Range	2.6	2.9	2.3	2.4	3.0	2.3	2.6	2.9	2.3	2.9	2.5	2.3	2.8
Clothes dryer	2.9	2.6	2.7	3.2	3.3	2.7	3.0	2.5	3.4	3.2	2.9	3.2	3.4
Air conditioner	1.6	2.0	1.4	2.0	2.5	1.4	1.1	1.2	1.5	1.5	1.6	1.3	1.8
Carpet	7.3	7.2	5.9	6.8	8.5	6.2	6.9	6.3	6.9	7.4	7.0	5.8	7.7
						Vacation Intended Within Six Months: Percent							
Vacation Intended	45.8		46.9		49.4		49.0		48.5		45.1		48.3
Destination													
Home state	8.8		8.7		9.9		9.5		10.5		7.2		9.4
Other state	32.0		32.8		34.9		33.7		33.6		31.6		33.3
Foreign country	6.2		7.6		6.7		7.5		6.3		6.8		6.9
Means of Travel													
Automobile	29.9		29.8		33.0		31.3		30.3		26.5		29.4
Airplane	15.4		18.6		17.6		17.3		17.3		17.9		19.1
Other	3.5		3.8		3.9		4.6		3.5		3.7		4.6

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.